



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

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February 12, 2004

Bush Budget Relies on Unrealistic User Fees

Dear Democratic Colleague:

The President's 2005 budget relies on \$19.5 billion in savings over five years from unrealistic user fees, just one of the many gimmicks used by the Administration to achieve the appearance of deficit reduction. These user fees cast additional doubt over the credibility of the President's budget as a responsible fiscal plan. These new fees include items such as requiring certain veterans to pay enrollment fees for medical care and charging fees for meat safety inspections. Many of these user fee proposals have appeared in the budget year after year, only to be repeatedly rejected by Congress. The fact that the budget purports to reduce the deficit in part by relying on such user fees is simply one more piece of evidence that this Administration says one thing and does another when it comes to fiscal responsibility.

President Bush's budgets have proposed more new user fees every year. His 2002 budget included \$4.9 billion in new user fees over five years, and that amount has grown every year since. This increasing reliance on new user fees and collections is especially ironic, given past Republican rhetoric on the topic. During the Clinton Administration, Republicans criticized proposed fee increases as just a new tax by another name.

Bush Administration Budgets Increasingly Rely on New User Fees and Collections

President's Budget For Fiscal Year:	Proposed User Fees, Five-Year Total (in billions of dollars)
2005	\$19.5
2004	\$15.3
2003	\$10.4
2002	\$4.9

The attached table lists the user fee proposals in the President's 2005 budget.

Sincerely,
/s
John M. Spratt, Jr.
Ranking Democratic Member

User Fee Proposals in the President's 2005 Budget

(In millions of dollars)

Provision	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2005-09</u>
DISCRETIONARY						
<u>1. Offsetting collections</u>						
Department of Agriculture						
Food Safety Inspection user fees	124	121	121	122	122	610
Grain Inspection, Packers and Stockyards Administration	29	28	28	28	29	142
Animal and Plant Health Inspection Service	11	11	11	11	11	55
Department of Commerce						
Patent and Trademark Office	219	264	311	360	383	1,537
Department of Energy						
Office of Civilian Radioactive Waste Management: Reclassify fees	749	754	757	767	767	3,794
Department of Health and Human Services						
Medicare duplicate or unprocessable claims	195	195	195	195	195	975
Medicare appeals reform	10	32	33	34	35	144
Department of the Interior						
Fees transferred from the Power Marketing Administrations	30	29	29	29	29	146
Department of Justice						
FBI fees for forensic services	39	35	33	33	31	171
DEA fees for forensic services	3	3	3	3	3	15
Department of State						
Enhanced border security program user fees	100	105	111	116	122	554
Department of Transportation						
Motor carrier safety	13	13	13	13	13	65
Corps of Engineers --- Civil Works						
Fees transferred from the Power Marketing Administrations	150	156	160	165	172	803
<u>2. Offsetting receipts</u>						
Department of Housing and Urban Development						
Office of Federal Housing Enterprise Oversight: GSE regulation	-44	-44	-45	-47	-47	-227
Department of Veterans Affairs						
Annual enrollment fee	268	281	295	310	326	1,480
Higher drug copayments	135	142	149	156	165	747
Environmental Protection Agency						
Abolish cap on pre-manufacturing notification fees	4	8	8	8	8	36
Remove prohibition on collection of registration fees	26	27	27	28	28	136
Nuclear Regulatory Commission						
Extend Nuclear Regulatory Commission fees	0	330	329	330	329	1,318
<i>Subtotal, discretionary user charges proposals</i>	<i>2,061</i>	<i>2,490</i>	<i>2,568</i>	<i>2,661</i>	<i>2,721</i>	<i>12,501</i>

(Continued)

User Fee Proposals in the President's 2005 Budget (continued)

MANDATORY

1. Offsetting collections

Department of Housing and Urban Development

Government-sponsored enterprise regulation	6	6	6	6	6	30
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Department of the Treasury

Government-sponsored enterprise regulation	83	81	81	82	82	409
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Federal Deposit Insurance Corporation

Deposit insurance premiums	0	-570	-744	58	59	-1,197
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Federal Housing Finance Board

Government-sponsored enterprise regulation	-34	-32	-34	-35	-36	-171
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2. Offsetting receipts

Department of Agriculture

Forest Service recreation fees	0	37	50	50	55	192
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Department of Energy

Office of Civilian Radioactive Waste Management: Reclassify fees	-749	-754	-757	-767	-767	-3,794
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Fees transferred from the Power Marketing Administrations	-180	-186	-191	-197	-204	-958
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Arctic National Wildlife Refuge, collections for research and development	0	1,200	0	0	0	1,200
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Department of Homeland Security

Conveyance and passenger fees and merchandise processing fees	820	1,391	1,448	1,507	1,570	6,736
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Department of the Interior

Recreation fees	0	38	48	47	47	180
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Hetch Hetchy rental payments	8	8	8	8	8	40
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Bureau of Land Management land sale authority	24	33	38	48	48	191
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Arctic National Wildlife Refuge, collection for payments to Alaska	0	1,201	1	101	1	1,304
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Arctic National Wildlife Refuge, rents and bonuses	0	1	1	101	1	104
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Department of Labor

Application fee for the permanent foreign labor certification program	23	23	23	23	23	115
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Corps of Engineers --- Civil Works

Special recreation user fees	7	7	7	7	7	35
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Federal Communications Commission

Analog spectrum fee	0	0	500	500	480	1,480
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Extend auction authority	0	0	-2,000	-2,000	2,800	-1,200
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Spectrum license user fees	0	50	150	300	300	800
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<i>Subtotal, mandatory user charges proposals</i>	<i>8</i>	<i>2,534</i>	<i>-1,365</i>	<i>-161</i>	<i>4,480</i>	<i>5,496</i>
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3. Governmental receipts

Department of the Interior

Extend abandoned mine reclamation fees	239	245	252	256	262	1,254
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National Indian Gaming Commission, activity fees	0	4	4	5	5	18
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Department of the Treasury

Internal Revenue Service fees	32	44	45	46	47	214
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<i>Subtotal, governmental receipts user charges proposals</i>	<i>271</i>	<i>293</i>	<i>301</i>	<i>307</i>	<i>314</i>	<i>1,486</i>
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<i>Total, user charges proposals</i>	<i>2,340</i>	<i>5,317</i>	<i>1,504</i>	<i>2,807</i>	<i>7,515</i>	<i>19,483</i>
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